



November 22, 2011

Jocelyn Boyd, Esq.
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RE: SCPSC Docket No. 2009-190-E

Dear Mrs. Boyd:

In accordance with the Public Service Commission of South Carolina's ("Commission") Order No. 2009-373 dated June 26, 2009 in Docket No. 2008-251-E, Carolina Power and Light Company, d/b/a Progress Energy Carolinas, Inc. ("PEC") submits for approval its revised Commercial, Industrial and Governmental Energy Efficiency Program CIG EE-4 Experimental tariff ("CIG EE"). CIG-EE was initially approved on an experimental basis by the Commission in Order No. 2009-374 dated June 26, 2009 in Docket No. 2009-190-E.

PEC is proposing the following two revisions to CIG EE: (1) the removal of its premium efficiency motor incentive; and (2) clarification regarding the ownership of environmental, energy efficiency and demand response benefits and attributes.

PEC is proposing to eliminate the premium efficiency motor incentive from CIG EE because Section 313 of the Energy Independence and Security Act of 2007 now mandates the same electric motor efficiency levels that PEC has been incenting. The new standards impacted motors manufactured or imported after December 19, 2010. Thus, the incentive is no longer needed.

To further clarify the tariff, PEC has added a provision regarding PEC's ownership of environmental, energy efficiency and demand response benefits and attributes resulting from participation in this Program. This provision has been implicitly a part of the CIG EE Program from the beginning; however, it was not specifically stated in the current tariff. As noted in its earlier request in this docket to revise the Residential Home Energy Improvement Experimental tariff, PEC intends to modify its existing DSM/EE program tariffs, as they are changed, to reflect this provision.

PEC's revised CIG EE-4 Experimental tariff, which incorporates the requested changes, is attached as Exhibit No. 1. No other revisions to the CIG EE Program tariff are being requested.

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

In addition to the tariff changes, PEC wishes to inform the Commission that it is changing the way that incentives are calculated effective December 1, 2011 for prescriptive lighting measures provided under CIG EE. The revised incentive structure will move from a per fixture incentive based on a lighting technology (e.g. fluorescent lamp) to a set incentive per watt reduced between the existing system and the new lighting system. This change is consistent with recommendations provided by Navigant Consulting, PEC's evaluation, measurement and verification ("EM&V") contractor, in its EM&V Report for the 2009 Program year, which was filed with the Commission on July 25, 2011 in Docket No. 2008-251-E. This modification will simplify the incentive structure and encourage customers and contractors to move from less efficient retrofits to lighting systems that are more cost effective in the longer term by linking the incentive directly to the creation of energy savings. PEC anticipates that the average incentive paid using the proposed structure when compared to the existing structure will remain fairly constant; however, this will encourage greater energy savings, resulting in improved Program cost effectiveness. PEC's prescriptive lighting incentives are described on the Program website (<http://progress-energy.com/carolinasBusiness>) and the revised incentive schedule will be posted on December 1, 2011. The revised and current individual incentives as shown in the website are included in this filing as Exhibit Nos. 2 and 3, respectively.

Very truly yours,



Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:mhm

Cc: Shannon Bowyer Hudson
John Flitter

Attachments

STAREG1921

Carolina Power & Light Company
d/b/a Progress Energy Carolinas, Inc.
(South Carolina Only)

EXPERIMENTAL

COMMERCIAL, INDUSTRIAL AND GOVERNMENTAL ENERGY EFFICIENCY PROGRAM CIG EE-4

PURPOSE

The purpose of this Program is to promote the installation of energy efficient measures by non-residential customers by providing incentives through (1) a set of pre-defined prescriptive measures, (2) custom measures specifically designed to meet Customer's individual need, (3) technical assistance to identify energy efficiency opportunities, and (4) custom whole-building measures and design incentives for a new facility, or major renovation.

AVAILABILITY

This Program is available to non-residential customers receiving metered service in conjunction with any of Company's general service schedules. Technical assistance and design incentives under the Program are only available to Customers either (1) consuming 500,000 kWh or more in the previous 12 months or (2) for new construction with 20,000 square feet or more of conditioned space. Custom whole-building measures and design incentives are only available to new construction, and major renovation applications which are defined as the design and construction of a new facility, or a major renovation of an existing facility where the interior is completely demolished down to the studs, including the removal of the space conditioning and lighting systems, and the space is completely redeveloped.

INCENTIVE PAYMENTS

In most cases, Customer must complete and submit a pre-notification application before installing equipment or a measure for which an incentive is requested. The Policies and Procedures manual available at the Program website (<http://progress-energy.com/carolinasBusiness>) describes the specific incentives that do not require the pre-notification application. Upon approval of the pre-notification application and within ninety (90) days of completion of installation, Customer must submit an Application for Incentive Payment, supporting documentation, and verification that the energy efficient measures meriting an incentive payment meets Program requirements. Company may inspect Customer's premise before, during and after measure implementation to verify installation.

Incentive payments will be one-time payments determined as follows. Customers are only eligible to receive an incentive from one of the following categories:

1. Prescriptive Measures – Customer shall receive an incentive payment for the installation of certain high efficiency equipment and measures, including: lighting; heating; ventilating and air conditioning equipment; and refrigeration measures and equipment. A list of eligible equipment and measures and specific incentive amounts are available at the Program website: <http://progress-energy.com/carolinasBusiness>.
2. Custom Measures – Customer shall receive an incentive payment for the implementation of energy efficiency measures and equipment not included in the Prescriptive Measures category upon the provision of studies or other analyses to quantify expected energy reductions. The incentive payment shall be \$0.08 times the estimated first year kWh reduction following implementation of the energy efficiency measure, based upon Company confirmation of the study results.

3. Technical Assistance – Customer shall receive an incentive payment of 50% of Customer's cost for a feasibility study, energy assessment, or retro-commissioning service. In no case shall the incentive payment under this category exceed \$10,000 for customers with annual consumption from 500,000 to 2,000,000 kWh or \$20,000 for customers with annual consumption in excess of 2,000,000 kWh.
4. Custom Whole-Building Measures – For new buildings, or major renovations achieving an energy reduction of 10% to 20%, Customer shall receive an incentive payment of \$0.09 times the estimated first year kWh reduction following installation. For energy reductions in excess of 20%, Customer shall receive an incentive payment of \$0.14 times the estimated first year kWh reduction following installation. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and are subject to Company's confirmation of the study results. Customer utilizing Custom Whole-Building Measure cannot receive Prescriptive or Custom measure incentives for the same project.
5. Design Incentives – For new buildings and major renovations of at least 20,000 square feet, Customer shall receive an incentive payment of (a) \$0.05 times the estimated first year kWh reduction following installation, not to exceed \$50,000 or (b) the cost of a building energy modeling service, not to exceed \$20,000. Estimated energy savings shall be supported by Customer studies and analyses using PEC approved methodologies and techniques and is subject to Company's confirmation of the study results.

In no case shall Customer's cumulative project incentive payment at one facility in a calendar year exceed 75% of Customer's total project cost and shall be further limited as follows:

1. Incentives of \$100,000 or less shall be paid at 100% of the earned amount;
2. Incentives between \$100,001 and \$500,000 shall be paid at 50% of the earned amount;
3. Incentives between \$500,001 and \$1 million shall be paid at 25% of the earned amount; and
4. Incentives in excess of \$1 million will be paid at 10% of the earned amount.

RESPONSIBILITY OF PARTIES

Upon the occurrence of any of the following events, Company may request Customer to refund within thirty (30) days of such request incentive payments received:

1. Customer does not install and operate incentivized equipment or other measures, or
2. Customer removes incentivized equipment or other measures before the earlier of five (5) years from the date of equipment or measure installation or the end of the equipment or measure life; or
3. The sale, lease or other disposition by Customer of the premise where the incentivized equipment or measure is located or installed, and the Customer does not secure an agreement transferring all related rights, obligations and liabilities (including payment obligations of the DSM/EE rate), including Program participation, to the buyer of the premise upon which the incentivized equipment or measure is located or installed.

In the event Company requests a refund, Company's refund will be a prorated amount of incentive payments originally provided by Company to Customer based on the period of time that the related equipment or measure was installed and operated. If the equipment or measure was never installed, the full amount of originally provided incentive payments shall be refunded to Company by Customer.

The Customer is responsible for any and all income tax payments that may result from receipt of an incentive payment.

GENERAL

Service rendered under this Schedule is subject to the provisions of the Service Regulations of the Company on file with the state **regulatory commission**.

COMPANY RETENTION OF PROGRAM BENEFITS

Incentives and other considerations offered under the terms of this Program are understood to be an essential element in the recipient's decision to participate in the Program. Upon payment of these considerations, Company shall be entitled to any and all environmental, energy efficiency, and demand reduction benefits and attributes, including all reporting and compliance rights, associated with participation in the Program.

DSM/EE OPT-OUT ELIGIBILITY

Customer participating in this Program loses the right to be exempt from the DSM/EE rate for ten (10) years following receipt of an incentive.

Supersedes Program CIG EE-2

Effective for service rendered on and after _____
SCPSC Docket No. 2009-190-E, Order No. 2009-374

Table 6-1
Retrofit Prescriptive Lighting Incentive

Equipment Type	Unit	Incentive / Unit
Compact fluorescent lamps (CFLs) - must replace incandescent or high intensity discharge lamps		
All Wattages, see specifications for minimum standards	Lamp	\$1.50
LED exit sign		
Exit sign	Fixture	\$25.00
Occupancy sensor controls (provide calculation of total fixtures and watts controlled)		
Occupancy Sensors	Watts Controlled	\$0.06
Replacement/Retrofit of existing fixtures not covered above. ***Pre-approval is required.		
Total Existing Fixture Watts	Watts Reduced	\$0.35

Table 6-1
Retrofit Prescriptive Lighting Incentives

	Equipment Type	Unit	Incentive / Unit
Lamp Replacement	Compact Fluorescent Lamps, Screw-in		
	ALL Wattages, see specifications for minimum standards	Lamp	\$1.50
	Reduced Wattage (Fluorescent Lamp Replacement)		
	4-foot lamp replacement only	Lamp	\$0.50
	8-foot lamp replacement only	Lamp	\$0.75
	Cold Cathode		
	Cold Cathode Lamps	Lamp	\$4.00
New Fixtures	Hardwired Compact Fluorescent Fixture		
	29 W or Less	Fixture	\$30.00
	30 W or Greater	Fixture	\$55.00
	Metal Halide - Ceramic, Quartz, or Pulse Start Fixture		
	100 W or Less	Lamp	\$20.00
	101 W - 200 W	Lamp	\$30.00
	201 W - 350 W	Lamp	\$55.00
	Exit Sign Fixtures		
	LED or Electroluminescent	Fixture	\$25.00
	High Performance Fixtures, T5 or T8 (Pre-approval required)		
	Total Existing Fixture Watts Less Total New Fixture Watts	Watt ¹	\$0.35
Lamp Removal	Permanent Lamp Removal (Pre-Approval Application Is Required)		
	Remove 4-foot fluorescent lamp	Lamp	\$6.00
	Remove 8-foot fluorescent lamp	Lamp	\$8.00
	Remove 4-foot fluorescent lamp with reflector	Lamp	\$10.00
	Remove 8-foot fluorescent lamp with reflector	Lamp	\$15.00
Fixture Upgrade	T12 Fluorescent Fixtures to High Performance/Reduced Wattage T8		
	4-foot lamp and ballast upgrade	Lamp	\$6.00
	8-foot lamp and ballast upgrade	Lamp	\$8.00
	Lighting Controls (Incentive is per Watt controlled)		
	Occupancy Sensors	Watt ²	\$0.06

[.... **TO BE SUPERSEDED**]

¹ Incentive Unit: Watts Reduced

² Incentive Unit: Watts Controlled